



## ***RSC Policy Brief:*** **The Democrat Assault on American Energy** *May 2008*

In light of rising crude oil prices, the resulting spike in gas prices, and the continued reliance on energy supplies from unfriendly or unstable regions of the world, the RSC has prepared the following policy brief detailing the Democrat pattern of blocking attempts to increase the supply of American energy and actively promoting policies that would make American energy less available, more expensive, and thus less affordable for poor and middle class Americans.

**Basic Economics.** It's basic economics. When demand exceeds supply, the price goes up. One way to bring the price back down when worldwide demand is soaring—or to at least slow the rate of the increase—is to increase supply. Despite these widely understood realities, Democrats continue to speak ill about gas prices yet do ill about energy supplies. Even more disconcerting is the Democrat unwillingness to increase *American* energy supplies, as they block proposal after proposal aimed at allowing more energy supplies to be extracted from the American and Canadian ground, yet assert that OPEC should be sued for not increasing its exports. The logic simply does not work.

**Today's Realities.** Like it or not, petroleum is the backbone of America's transportation energy today. If you need an ambulance to get you to the hospital, it won't be fueled by wind-powered batteries. If a school teacher needs to drive to work, her car's engine won't run on solar. And if a businessman needs to fly overseas on short notice, his plane won't get off the ground using biofuels. Alternative energy sources may be more prevalent and economical far in the future, but for now and perhaps decades to come, if America wants to increase or even just maintain its standard of living, if America wants to stay ahead of the rapidly developing economies in Asia and elsewhere, then America needs petroleum—and lots of it.

Most people understand that petroleum does not grow on trees. It's deep in the ground, and it doesn't come up by itself. It's in some parts of the world and not others. To get more petroleum over time, it's necessary to get it from more places.

The good news is that America is teeming with untapped petroleum resources—trillions and trillions of barrels. This point is not debatable. The bad news is that Democrats believe that whether such energy resources should be recovered *is* debatable. As demonstrated below, Democrats have not just been neutral on increasing American energy exploration, extraction, and refining—they have opposed it. Such Democrat energy intransigence comes at the expense of the poor and middle class.

**Party Differences.** Below are some examples in recent years of House Republican actions to increase energy availability, the House Democrat agenda to restrain energy availability, and House Democrat proposals that contradict their own positions on energy.

## What Republicans Have Done to *Increase* Energy Availability

**ANWR.** For more than a decade, Republicans have proposed allowing energy exploration and extraction in Alaska's Arctic National Wildlife Refuge (ANWR), where initial surveys show the presence of massive amounts of petroleum—upwards of a million barrels a day.

- On January 4, 2005, Rep. Don Young (R-AK) introduced a bill ([H.R. 39](#)) to repeal the prohibition against the production of oil and gas from ANWR and any leasing or development leading to such production.
- On April 21, 2005, the House passed a bill ([H.R. 6](#)) by Rep. Joe Barton (R-TX) to allow oil and gas leasing in ANWR. **[90% of Republicans](#) voted for the bill, while [80% of the Democrats](#) voted against it.** The provision was removed before the bill was signed into law.
- On October 6, 2005, Rep. Ron Paul (R-TX) introduced a bill ([H.R. 4004](#)) to repeal the prohibition against the production, leasing, and development of oil and gas from ANWR. Rep. Paul has reintroduced the legislation in the 110<sup>th</sup> Congress ([H.R. 2415](#)).
- On May 23, 2006, Rep. Marilyn Musgrave (R-CO) introduced a bill ([H.R. 5462](#)) to direct the Bureau of Land Management to establish an oil and gas leasing program in ANWR and conduct two lease sales there before October 1, 2010.
- On May 25, 2006, the House passed a bill ([H.R. 5429](#)) by Rep. Richard Pombo (R-CA) to repeal the proscription against the production or leasing of oil and gas resources from the ANWR and to provide extensive environmental safeguards for such production. **[87% of Republicans](#) voted for the bill, while [86% of the Democrats](#) voted against it.**
- On July 26, 2006, Rep. Devin Nunes (R-CA) introduced a bill ([H.R. 5890](#)) to repeal the prohibition against production of oil and gas from ANWR and any leasing or development leading to such production.
- On July 18, 2007, Rep. Mac Thornberry (R-TX) introduced a bill ([H.R. 3089](#)) to repeal the prohibition against producing oil and gas from ANWR.

**OCS.** Republicans have also consistently proposed expanding energy exploration and extraction on the Outer Continental Shelf (OCS), the lands under the waters surrounding the United States, most of which are statutorily off limits to energy development. Reports indicate that such expansion could yield 86 billion barrels of oil.

- On February 17, 2005, Rep. Barbara Cubin (R-WY) introduced a bill ([H.R. 907](#)) to allow easements or rights-of-way for energy and related purposes on the OCS for otherwise prohibited activities when such activities support exploration, development, production, transportation, or storage of oil, natural gas, or other minerals.
- On April 13, 2005, Rep. Rodney Alexander (R-LA) introduced a bill ([H.R. 1596](#)) to authorize the Secretary of the Interior to grant a lease, easement, right-of-way, license, or permit on the

OCS for activities not otherwise authorized under existing law, if those activities support or promote exploration, development, production, transportation, or storage of oil, natural gas, or other minerals.

- On April 21, 2005, the House passed a bill ([H.R. 6](#)) by Rep. Joe Barton (R-TX) to authorize the Secretary of the Interior to grant, on either a competitive or noncompetitive basis, a lease, easement, or right-of-way on the OCS for activities not otherwise authorized under current laws, if those activities support exploration, development, production, transportation, or storage of oil, natural gas, or other minerals. **90% of Republicans voted for the bill, while 80% of the Democrats voted against it.** These provisions were retained in the final version of the bill signed into law, and a provision was added to direct the Secretary of the Interior to inventory, analyze, and report to Congress on oil and natural gas resources beneath all of the waters of the OCS.
- On September 15, 2005, Rep. Ted Poe (R-TX) introduced a bill ([H.R. 3811](#)) to terminate any prohibition on the expenditure of federal funds to conduct oil and natural gas leasing and preleasing activities anywhere on the OCS and to terminate all withdrawals of federal OCS land from leasing activities.
- On September 27, 2005, Rep. John Peterson (R-PA) introduced a bill ([H.R. 3918](#)) to terminate any prohibition on the expenditure of federal funds to conduct natural gas leasing and preleasing activities anywhere on the OCS and to terminate all withdrawals of federal OCS land from leasing for exploration for, and development and production of, natural gas. Rep. Peterson introduced a similar bill ([H.R. 4318](#)) on November 15, 2005.
- On October 6, 2005, Rep. Ron Paul (R-TX) introduced a bill ([H.R. 4004](#)) to terminate any prohibition on the expenditure of federal funds to conduct oil and natural gas leasing and preleasing activities anywhere on the OCS and to terminate all withdrawals of federal OCS land from leasing activities. Rep. Paul reintroduced the bill ([H.R. 2415](#)) in the 110<sup>th</sup> Congress.
- On November 7, 2005, Rep. Jim Nussle (R-IA) introduced a bill ([H.R. 4241](#)) that contained a provision terminating the effect of all existing federal laws prohibiting the spending of appropriated funds to conduct oil and natural gas leasing and preleasing activities for OCS areas. The provision was omitted from the version of the bill that passed the House.
- On May 18, 2006, Rep. Ted Poe (R-TX) offered an amendment ([H.Amdt. 842](#)) to strike sections of the Interior Appropriations bill that prohibit the expenditure of funds for OCS oil leasing activities in certain areas. **A majority of Republicans voted for the amendment, while Democrats overwhelmingly voted against it.**
- On June 29, 2006, the House passed a bill ([H.R. 4761](#)) by Rep. Bobby Jindal (R-LA) to greatly increase energy development on the OCS, including a prohibition on more than 25% of the acreage of any OCS Planning Area being withdrawn from leasing more than 100 miles from any coastline. **86% of Republicans voted for the bill, while 79% of Democrats voted against it.**
- On July 18, 2007, Rep. Mac Thornberry (R-TX) introduced a bill ([H.R. 3089](#)) to terminate all existing federal laws prohibiting expenditures to conduct oil and natural gas leasing and preleasing activities on the OCS.

- On August 3, 2007, Rep. Chip Pickering (R-MS) introduced a bill ([H.R. 3435](#)) to authorize the Secretary of the Interior to inventory oil and natural gas resources beneath the waters of the OCS, other than those in the Gulf of Mexico or off the coast of Florida. The Secretary would have to make available for oil and natural gas leasing all such inventoried areas.

**Oil Shale, Tar Sands, Heavy Oil, and Coal-to-Liquids.** Petroleum is no longer just available from reservoirs. It can be extracted from rocks (shale) and sands, which are abundant throughout North America. Some observers have described the United States as the Saudi Arabia of oil shale, with about 1.8 trillion barrels of oil recoverable from U.S. shale. Tar sands are also plentiful, with 11 billion recoverable barrels in the U.S. and far more in our ally to the north—Canada.

Additionally, there are nearly 100 billion barrels of heavy oil (a thicker crude oil) in the U.S., and America’s voluminous coal resources could allow coal-to-liquid production (making diesel and jet fuels from gasified coal) without affecting the coal supply for electricity.

Republicans believe that America as a nation should do all it can to promote the development of all of these newer sources of raw materials with which to make fuels right here in America—to make conventional what is now unconventional.

- On February 9, 2005, Rep. Chris Cannon (R-UT) introduced a bill ([H.R. 681](#)) to authorize the Secretary of the Interior to issue separately, for the same area, a lease for tar sands and a lease for oil and gas.
- On July 28, 2005, the House passed a conference report ([H.R. 6](#)) led by Rep. Joe Barton (R-TX) to instruct the Secretary of the Interior to make available for leasing public lands in Colorado, Utah, and Wyoming in order to conduct research and development of technologies for the recovery of liquid fuels from oil shale and tar sands. The legislation also contained various other provisions encouraging the increased development of oil shale and tar sands, including evaluating and mapping U.S. oil shale and tar sands deposits and instructing the Defense Department to procure fuel derived from U.S. coal (“coal-to-liquids”), oil shale, and tar sands **90% of Republicans voted for the conference report, while 80% of the Democrats voted against it.**
- On November 18, 2005, the House passed a bill ([H.R. 4241](#)) by Rep. Jim Nussle (R-IA) that contained a provision facilitating the commencement of oil shale and tar sands leases.
- On June 27, 2007, Rep. Chris Cannon (R-UT) offered an amendment ([H.Amdt. 452](#)) to the Interior Appropriations bill to carve out Utah and Wyoming from certain restrictions on oil shale development. **91% of Republicans voted for the amendment, while 89% of Democrats voted against it.**
- On March 31, 2008, Rep. Jeb Hensarling (R-TX) introduced a bill ([H.R. 5656](#)) to repeal Section 526 of the major energy bill of 2007 that prohibited federal agencies from procuring fuels made from unconventional petroleum sources.

**Refining.** Republicans have consistently proposed making it easier for the private sector to expand capacity at existing petroleum refineries—or to build entirely new ones. Gasoline doesn’t come from the ground; it comes from the refining process. If America wants more of it and other fuels, America must remove as many impediments to increased refining as possible.

- On April 21, 2005, the House passed a bill ([H.R. 6](#)) by Rep. Joe Barton (R-TX), which included, among other things, provisions to prescribe guidelines for the designation of refinery revitalization zones and the coordination and expeditious review of permitting process for such zones. **90% of Republicans voted for the bill, while 80% of the Democrats voted against it.** Subsequent iterations of the legislation included tax incentives for refinery investment.
- On September 20, 2005, Rep. John Shadegg (R-AZ) introduced a bill ([H.R. 3836](#)) containing a variety of provisions to expedite federal permitting procedures for construction or expansion of domestic petroleum refining facilities.
- On September 22, 2005, Rep. Joe Pitts (R-PA) introduced a bill ([H.R. 3887](#)) to direct the Secretary of Energy and the Secretary of Defense, to jointly designate three closed military installations as suitable for constructing oil refineries and to prohibit the federal government, for two years, from selling or disposing of any such designated site except for purposes of oil refinery construction.
- On September 27, 2005, Rep. Todd Tiahrt (R-KS) introduced a bill ([H.R. 3924](#)) to revise the tax deduction for certain liquid fuels refinery property to allow expensing of the entire cost of such property if the property allows for a production capacity increase of five percent or more on an average daily basis; and to allow, in lieu of such expensing deduction, a five-year recovery period for the depreciation of such refinery property.
- On October 6, 2005, Rep. Ron Paul (R-TX) introduced a bill ([H.R. 4004](#)) to provide additional tax incentives for investment in oil refineries. Rep. Paul reintroduced the legislation in the 110<sup>th</sup> Congress ([H.R. 2415](#)).
- On October 7, 2005, the House passed a bill (H.R. 3893) by Rep. Joe Barton (R-TX) that included a variety of provisions aimed at facilitating the siting, construction, expansion, and operation of refineries. **94% of Republicans voted for the bill, while 100% of Democrats voted against the bill.**
- On June 20, 2006, Rep. Ron Lewis (R-KY) introduced a bill ([H.R. 5653](#)) to extend the election to expense the construction of oil and unconventional fuel (including oil shale and coal-to-liquids) refineries until 2016. Rep. Lewis reintroduced the bill ([H.R. 683](#)) in the 110<sup>th</sup> Congress.
- On July 18, 2007, Rep. Mac Thornberry (R-TX) introduced a bill ([H.R. 3089](#)) to provide for increased expensing of refinery property and direct the President to designate at least ten sites for oil or natural gas refineries on federal lands and make such sites available to the private sector for refinery construction.



## What Democrats Have Done to *Restrain* Energy Availability

**ANWR.** Democrats have consistently blocked all efforts to allow energy exploration and extraction in ANWR, despite the fact that such activity already occurs in wildlife refuges across the country without destroying the affiliated ecosystems.

- On February 2, 2005, Rep. Ed Markey (D-MA) introduced a bill ([H.R. 567](#)) to designate oil-rich lands within ANWR as wilderness and components of the National Wilderness Preservation System, thus erecting another barrier to energy extraction there. Rep. Markey has reintroduced the legislation in the 110<sup>th</sup> Congress ([H.R. 39](#)).
- On April 20, 2005, Rep. Ed Markey (D-MA) offered an amendment ([H.Amdt. 72](#)) to H.R. 6 to strike the provisions of the underlying bill allowing oil and gas exploration in ANWR. **[85% of Democrats](#) voted for the amendment, while 87% of the Republicans voted against it.**

**OCS.** Democrats have also consistently blocked efforts to expand energy exploration and extraction on the Outer Continental Shelf (OCS), despite the success of current OCS operations and the feasibility of recovering what is now off-limits.

- On April 21, 2005, Rep. Frank Pallone (D-NJ) introduced a bill ([H.R. 1798](#)) to prohibit leasing for the exploration, development, or production of oil, natural gas, or any other mineral in either the Mid-Atlantic or the North Atlantic planning areas of the OCS. Rep. Pallone reintroduced the bill ([H.R. 777](#)) in the 110<sup>th</sup> Congress.
- On February 16, 2006, Rep. Lois Capps (D-CA) introduced a bill ([H.R. 4782](#)) to prohibit oil and gas preleasing, leasing, and related activities in areas of the OCS located off the coast of California and to exclude such areas from the OCS inventory required under current law. Rep. Capps reintroduced the bill ([H.R. 2918](#)) in the 110<sup>th</sup> Congress.
- On May 4, 2006, Rep. Maurice Hinchey (D-NY) introduced a bill ([H.R. 5300](#)) to repeal the existing law requirement for a comprehensive inventory of OCS oil and natural gas resources. Rep. Hinchey reintroduced the bill ([H.R. 586](#)) in the 110<sup>th</sup> Congress.
- On April 19, 2007, Rep. Jay Inslee (D-WA) introduced a bill ([H.R. 1957](#)) to prohibit the conduct of oil and gas preleasing, leasing, and related activities in OCS areas located in the North Aleutian Basin Planning Area and to exclude such planning area from a mandated inventory of OCS oil and natural gas resources.
- On June 15, 2007, Rep. Mike Thompson (D-CA) introduced a bill ([H.R. 2758](#)) to prohibit oil and gas preleasing, leasing, and related activities in areas of the OCS located off the coast of Mendocino, Humboldt, and Del Norte Counties in the state of California and to exclude such areas from the mandatory inventory of OCS energy reserves.
- On April 24, 2008, Rep. Kathy Castor (D-FL) introduced a bill ([H.R. 5861](#)) to prohibit oil and gas preleasing, leasing, and related activities in certain areas of the OCS off the coast of Florida.

**Oil Shale, Tar Sands, Heavy Oil, and Coal-to-Liquids.** Democrats have consistently blocked expanding the development of “unconventional” petroleum resources, despite their promise to deliver more fuels from American sources to meet today’s energy demands, while decreasing the need to import oil from unstable and unfriendly nations.

- On December 7, 2006, Rep. Marty Meehan (D-MA) introduced a bill ([H.R. 6417](#)) to repeal the tax credit for producing fuel from a nonconventional source.
- On June 27, 2007, Rep. Mark Udall (D-CO) offered an amendment ([H.Amdt. 448](#)) to the Interior Appropriations bill to prohibit funds in the bill from being used to prepare or publish final regulations regarding a commercial leasing program for oil shale resources on public lands or to conduct an oil shale lease sale. **[88% of Democrats](#) voted for the amendment, while [93% of Republicans](#) voted against it.**
- On June 27, 2007, the House passed the Interior Appropriations bill ([H.R. 2643](#)) introduced by Rep. Norman Dicks (D-WA), which included a provision to prohibit the use of funds to prepare or publish final regulations regarding a commercial leasing program for oil shale and tar sands resources on public lands or to conduct an oil shale lease sale pursuant to the Energy Policy Act of 2005. **[98% of Democrats](#) voted for the bill, while [76% of Republicans](#) voted against it.**
- On August 4, 2007, the House passed a bill ([H.R. 3221](#)) that includes a prohibition on surface occupancy for oil or gas exploration or development purposes in each lease for certain federal lands on the Roan Plateau in Colorado. **[96% of Democrats](#) voted for the bill, while [86% of Republicans](#) voted against it.**
- On December 18, 2007, the House passed a bill ([H.R. 6](#)), now current law, that prohibits federal agencies from procuring fuels made from unconventional petroleum sources, aimed at stopping the Defense Department’s plan to procure fuels derived from Canadian oil sands.

**Refining.** Democrats have consistently blocked all efforts to make it easier to expand petroleum refining. Instead, the Democrats have done all they can to restrain refining, and thus choke the supply (and increase the price) of fuels nationwide.

- On November 18, 2005, Rep. Bernard Sanders (I-VT, who caucused with the Democrats) introduced a bill ([H.R. 4420](#)) to repeal, among other things, the tax incentive from the Energy Policy Act of 2005 allowing a taxpayer to expense 50% of the cost of certain crude oil refinery property placed in service before January 1, 2008.
- On April 27, 2006, Rep. John Larson (D-CT) introduced a bill ([H.R. 5234](#)) to repeal tax incentives from the Energy Policy Act of 2005 relating to expensing of crude oil refinery property and exemptions from limitations on oil depletion deductions for certain small crude oil refiners.

## **How Democrats Have Contradicted Their Own Positions on Energy**

**Suing OPEC.** Time and again, Democrats have lambasted the oil companies, criticized the Bush Administration’s close relationships with oil-exporting nations in the Middle East, denounced

America's reliance on petroleum, argued for and enacted mandates on alternative fuels and bio-additives to petroleum-based fuels, and complained of oil's negative effects on the environment.

Yet—on two occasions this Congress ([H.R. 2264](#) and [H.R. 6074](#))—they moved legislation allowing OPEC to be sued in U.S. courts for not supplying enough oil or providing such oil at a low enough price (which of course would increase consumption).

So which is it? Do Democrats want less oil or more oil? Or perhaps they just want less *American* energy and more *Middle Eastern* energy.

**Strategic Petroleum Reserve.** Democrats have consistently contested the basic economic reality that increased supply of a product helps push prices downward. As demonstrated throughout this Policy Brief, Democrats have fought efforts to increase the supply of petroleum and its refined products and have dispelled Republican assertions that increased energy development (in ANWR, on the OCS, etc.) would help alleviate high gas prices.

Yet just this month, Democrats moved a bill ([H.R.6022](#)) to suspend acquisitions for the Strategic Petroleum Reserve, claiming that doing so would help lower gas prices.

So, stopping a 70,000-barrel-a-day contribution to the Strategic Petroleum Reserve (which of course also has national security implications) will help lower gas prices, but allowing energy development in ANWR, which could yield one million barrels of petroleum a day would not affect gas prices? Again, which is it?

## **But Wait—There's More!**

Adding insult to injury, besides ongoing efforts to prohibit the expansion of domestic supplies of petroleum and coal-based fuels, the Democrats proposed and passed through the House, as one of their signature items in their first few weeks of the majority in 2007, a bill increasing taxes on the domestic manufacturing of petroleum ([H.R. 6](#)). Democrats voted in [near-unison](#) for it, as if increasing taxes on American companies will somehow increase the production, the pricing, and the global competitiveness of such companies.

Then the Democrats followed that punch at America's energy with a gas-price controls bill ([H.R. 1252](#)) that attempted to micromanage the market for gasoline. Democrats again voted in [near-unison](#) for it, arguing that nothing solves a problem faster or better than the federal government.

**Conclusion.** It is clear that the Republican approach to energy is “more American energy now,” while the Democrat approach to energy is to foreclose all new domestic supplies of energy America needs today. Republicans have repeatedly demanded action to prevent inevitable energy shortages, but Democrats continue with their no-new-energy agenda, putting the American people in grave danger of real reductions in their standard of living.

**More Information.** For additional information on energy markets, go [here](#) and [here](#).

Note: All percentages related to House floor votes in this policy brief are percentages of those Members present and voting.

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